

HAHN AND ASSOCIATES, INC.
ENVIRONMENTAL CONSULTANTS

October 17, 2011

Mr. Dana Bayuk
Oregon Department of Environmental Quality
Northwest Region, Portland Office
Portland Harbor Section
2020 SW Fourth Avenue, Suite 400
Portland Oregon 97201-4987

HAI Project No. 2708
DEQ ECSI File No. 84

SUBJECT: Progress Report, NW Natural Gasco Property, 7900 NW St. Helens Avenue, Portland, Oregon

Dear Mr. Bayuk:

Hahn and Associates, Inc. (HAI) has prepared this monthly Progress Report summarizing Remedial Investigation/Feasibility Study (RI/FS) and source control-related work activities conducted by NW Natural that have occurred relating to the Gasco property during the month of September 2011. NW Natural is completing upland investigatory activities at the subject property under the Voluntary Agreement No. ECV-C-WMCVC-NWR-94-13 (Voluntary Agreement) between NW Natural and the Oregon Department of Environmental Quality (DEQ).

1.0 Communications and Document Submittals

In e-mail correspondence dated September 6, 2011 (Patty Dost to Kurt Burkholder), NW Natural described its understanding that potential risks as may be related to the Gasco riverbank will be evaluated in the upland risk assessment, while source control evaluation of the riverbank will be managed through the EPA EE/CA process.

In e-mail correspondence dated September 8, 2011 (Rob Ede to Dana Bayuk), HAI, on behalf of NW Natural, provided DEQ with notice of upcoming field activities (groundwater monitoring) by NW Natural at the Gasco and Siltronic properties.

In e-mail correspondence dated September 9, 2011 (Dana Bayuk to Rob Ede), DEQ provided acknowledgement of receipt of NW Natural's notice of upcoming field work.

In e-mail correspondence dated September 16, 2011 (Ben Hung to Dana Bayuk), Anchor QEA (AQ), on behalf of NW Natural, acknowledged a DEQ request to cancel the regularly scheduled September technical team meeting due to a lack of topics until such a time that DEQ issues comments on documents currently under review.

In correspondence dated September 22, 2011 (Dana Bayuk to Bob Wyatt), DEQ provided comments on NW Natural's May 2011 *Draft Source Control Design Report*, inclusive of comments from EPA and the Department of the Army.

In e-mail correspondence dated September 23, 2011 (Dana Bayuk to Rob Ede), DEQ provided comments on NW Natural's September 9, 2011 Monthly Progress Report for August 2011.

In e-mail correspondence dated September 29, 2011 (Bob Wyatt to Jim Anderson), NW Natural related concerns to DEQ on the potential path of the DEQ review process for the August 2011 *Total Petroleum (TPH) Fraction Data Gap Field Sampling Plan (FSP)*.

In e-mail correspondence dated September 29, 2011 (Rob Ede to Dana Bayuk), HAI, on behalf of NW Natural provided a revised Monthly Progress Report, submitted in response to DEQ comments received on September 23, 2011.

In e-mail correspondence dated September 30, 2011 (Jim Anderson to Bob Wyatt), DEQ acknowledged receipt of NW Natural's e-mail of September 29, 2011 and discussed coordination of a call to occur in early October to review the development of a clear path to completion of the upland area risk assessment for Gasco.

2.0 Field Work

Field activities related to monitoring and maintenance of the dense non-aqueous phase liquid (DNAPL) extraction system at surficial fill well locations MW-6-32 and MW-13-30 occurred during September. The system recovered approximately 29 gallons of fluids (primarily DNAPL) during September.

Discharge of treated water (groundwater from the LNG containment basin) to the City of Portland sanitary sewer was initiated on March 16, 2007 under Temporary Wastewater Discharge Permit 500.022 (expires February 15, 2012). Results of NW Natural's effluent sampling are provided to BES in Discharge Monitoring Reports that are submitted for any month that effluent sampling occurs – which is at least every other month in accordance with the permit. As of September 30, a total of 9,275,404 gallons of treated water have been discharged to the sanitary sewer in 2011.

The Third Quarter 2011 routine groundwater monitoring event was initiated on September 19 with collection of water levels from wells at Gasco and Siltronic. The groundwater level collection event was coordinated with representatives of Siltronic to coincide with measurements they were collecting from their well network the same day. Groundwater sample collection activities were completed by NW Natural at Gasco and Siltronic between September 20 and September 28, 2011, with completion to occur in October.

3.0 Anticipated Activities in October and November 2011

NW Natural and DEQ technical working group meetings are anticipated to occur during October and November as needed so that discussion of critical items related to upland risk assessment and groundwater source control tasks may be conducted.

An informal meeting with representatives of NW Natural, DEQ, and EPA will be held in early October for NW Natural to propose a potential path forward for completing source control design on an expedited schedule that will allow testing of the installed extraction system to inform the sediment remedy design (the meeting with DEQ and EPA was held on October 5).

In October, NW Natural will provide DEQ with a draft summary of the August 15, 2011 meeting with DEQ to discuss the completion of the Gasco uplands area risk assessment (provided October 12, 2011).

NW Natural is working on an update to the beneficial use determination for groundwater with submittal of this document to DEQ in late October.

NW Natural is preparing a technical memorandum to contain a proposal to DEQ regarding the use of ecological screening levels for cyanide in soil. Submittal of this technical memorandum is anticipated to occur in late October.

The following reports and work plans on the Site have been submitted to DEQ through the end of September that have not as of the date of this Progress Report received DEQ review and comment.

- *Source Control Evaluation Report, "Segment 3" Siltronic Property Related to NW Natural "Gasco" Site, February 19, 2009, Anchor QEA.* Based on DEQ feedback, DEQ review of this document is prioritized behind reviews for Segments 1 and 2 Source Control Design documents and upland Risk Assessment-related reviews.
- *Final Stormwater Source Control Data Summary Report, September 2010, Anchor QEA.* Based on DEQ feedback, DEQ review of this document is prioritized behind reviews for Segments 1 and 2 Source Control Design documents and upland Risk Assessment-related reviews.
- *Remedial Investigation Data Summary Report, Historical Manufactured Gas Plant Activities, Siltronic Corporation Property, March 31, 2011, HAI.* Based on DEQ feedback, it is understood that DEQ review is being conducted at this time, but that comments are not anticipated until after completion of DEQ's review of the May 2011 *Draft Groundwater Source Control Final Design Report*.
- *Cover Letter and Total Petroleum (TPH) Fraction Data Gap Field Sampling Plan (FSP), NW Natural Gasco Site, August 2011, Anchor QEA.* Based on DEQ feedback, DEQ is unclear as to when comments on this document will be available.

Should you have any questions, please contact the undersigned.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rob Ede", with a long horizontal flourish extending to the right.

Rob Ede, R.G.
Principal

robe@hahnenv.com

c: Ms. Sandra Hart, NW Natural (electronic only)
Mr. Bob Wyatt, NW Natural (electronic only)
Ms. Patty Dost, Pearl Legal Group PC (electronic only)
Ms. Sarah Riddle, Pearl Legal Group PC (electronic only)
Mr. Carl Stivers, Anchor QEA, L.L.C. (electronic only)
Mr. John Edwards, Anchor QEA, L.L.C. (electronic only)
Mr. Ben Hung, Anchor QEA, L.L.C. (electronic only)
Mr. Ryan Barth, Anchor QEA, L.L.C. (electronic only)
Mr. Henning Larsen, DEQ NW Region (electronic only)
Mr. Tom Gainer, DEQ NW Region (electronic only)
Mr. Tom McCue, Siltronic Corporation (electronic only)
Ms. Kristine Koch, Region 10 EPA (electronic only)
Mr. Sean Sheldrake, Region 10 EPA (electronic only)
Mr. Rene Fuentes, Region 10 EPA (electronic only)
Mr. Chip Humphrey, Region 10 EPA (electronic only)
Mr. Lance Peterson, CDM, Inc. (electronic only)